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THE CRISIS & THE OUTLOOK

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Three years ago in this hall I gave a talk on "Revolutionary Perspectives" in Western Europe. The situation has changed since then, so perhaps I may begin by summarising, very briefly, some of the things that I said, to sum up the general argument. I said that the developed countries in Western Europe showed enormous stability throughout a series of political and economic upheavals in the past sixty years, war, crisis, wars, revolutions, decolonisation and so on. In such countries a great deal of stability could be taken for granted. There may be occasional moments when revolution is possible — brief chances that may or may not be seized, for instance in 1968, or — there are long arguments on this subject — 1944-5 in France or Italy; possibly 1936 in France, but these arguments are analogous to inquests on why a Third Division football club has not won the Cup. It is not absolutely impossible that it should do so, but on the whole it is rather unlikely.

Since 1921, Communists have therefore been thinking in terms of the long haul rather than a 'blitzkrieg'; a war of position as Gramsci put it. Actually it is emotionally very difficult to think in this way however intellectually convincing it may be: which is why not only people of the age of most of you for whom three or four years is a career and ten years may be a lifetime, but almost anybody else that is in politics on the Left finds it very hard to think that way — because every revolutionary is tempted into excessive optimism. If the Portuguese communists had known in 1926 that they were going in for 48 years of illegality would they have been willing to continue? Well, it is another question, but the fact is that revolutionaries particularly in times unsuitable for them are likely to think that times will improve, in some instances more rapidly than they actually will. Now the main factors in a situation of the long haul as I thought were — first to recognise that it is a long haul, that the revolution is not necessarily for today or for tomorrow, though a revolutionary who does not recognise when the situation has changed is not worth his money.

Second, we must pay attention to the institutions, the customs and conditions of the country in which we work, for instance in the United Kingdom to the very deep traditions of parliamentary democracy. Thirdly, that the revolutionary forces must follow policies of alliance since they are in a minority and unlikely, both on social and other grounds, to become a majority. I do not mean

an electoral majority. Now I criticised the ultra-left for systematically neglecting these matters; for preferring to gamble on some sudden crisis which would, it was hoped, somehow precipitate a new political and ideological alignment. Possible, yes — but not very likely. Since then the situation has changed. In the 1960's the Communist Party here, and in other countries, tried hard to find a way out of the corner in which the long period of prosperity, the greatest prosperity in the history of capitalism, and indeed of the world, had confined them, without any real realistic prospects other than those of re-entering the main stream of bourgeois alliance politics. At the same time in the 1960's the New Left or various kinds of new left, reverted to the simple radicalism which Lenin had rightly described in the time of "State and Revolution". Such I think was the situation in the sixties and early seventies.

It has now changed or it is rapidly changing and it is these changes in the past two or three years that we must think seriously about. I single out three of them.

Firstly, world capitalism is once again in crisis, and it is the worst crisis since the early thirties. This is something the Left has been talking about for a very long time but has been curiously reluctant to recognise when it is actually under their eyes. Until last autumn I was continually coming up against friends and comrades who said, "Well, the crisis will soon be coming", when the crisis was actually here. We are at present in a situation which in some respects, as someone once told me, resembles the 'phoney war' of 1939-40. We know that the war has begun but somehow or other the things that we usually associate with it — in the case of a crisis, for instance, mass unemployment and the general atmosphere of catastrophe — do not seem to be here. Nevertheless it is important to recognise that we are once again in that world capitalist crisis which some have been predicting and many have been hoping for or fearing openly for a substantial period of time. This crisis is not just due to the oil prices going up or raw material prices in general going up. It is not simply due to the collapse of what in retrospect can be seen to have been a sort of great bull market. What it is due to can be debated and this debate implies something which we are not very good at; namely, understanding the nature of the great capitalist boom since about 1950, which it now seems clear nobody has understood too well, certainly not the capitalists, who went about saying, "We have now learnt to

avoid slumps by Keynesian and other techniques", and I do not think by the Marxists either.

The favourite explanation of the stability of capitalism and its immunity to crisis, for instance, which is put forward by people like Sweezy and Baran or Michael Kidron, mainly of a large permanent expenditure on armaments by the state sector, does not, looking back, seem to be completely satisfactory as an explanation of this enormous secular boom of the past generation. Anyway, on the past record of world capitalism, a period of crisis in the 1970's was probably predictable, I myself cautiously wrote as much in 'Industry and Empire' six years ago simply on form, on the grounds of this much neglected long term fluctuation of fifty years or so which was described in the 1920's by Kondratyeff and which nobody has adequately analysed but which nevertheless appears to have a certain reality and describes something about the movement of the world capitalist economy. Anyway, it is here. It is a global crisis to which no capitalist power is immune. Some countries, notably our own and Italy, are affected much more dramatically and the way out is perhaps much harder to discern, but it is not a purely British crisis or an Italian crisis. It is a world crisis and it does not simply take the form of growing short time, growing unemployment. The basic unemployment in the United States is now, what, six million, the biggest Japanese firms are laying off labour as much as, even more than, the biggest British firms. It is a global crisis and it affects the basic mechanism of the capitalist economy. A few days ago I was reading in the Europe supplement which comes with 'The Times' and some other European papers an article about world banking, and in that, quite incidentally, it made the statement that a year ago there were 400 big banking institutions with which any businessman would do business without thinking twice about their stability. Today in the world there are 50 such institutions. In other words, in the world as a whole, of the top 400 banks, and that includes things like the Chase-Manhattan, the National Westminster and things of this kind, four-fifths are now in a situation where their stability as financial institutions can no longer be taken for granted. This is at least an index of the global nature as far as the capitalist countries are concerned of the crisis in which we now find ourselves, and if you want to look at Britain you have simply to look at the list of big firms which have gone bankrupt; that is to say the firms which have come to the government and

asked the government to bale them out or take them over. They are not marginal firms, one can say this about things like Court Line; they are basic firms, they are things like British Leyland, the large banking and insurance institutions, they even include Burmah Oil and it — a major oil company and one of the largest capitalist institutions in Europe — in the situation where it cannot meet its commitments. This indicates that it is the centre of the capitalist economy which is affected, not merely fringe banks or speculative undertakings or those property speculators who earned more than anybody else and the value of whose holdings perhaps collapsed more rapidly than anybody else's. The fact that the shares not only in Britain but in most of the stock exchanges of the world are today lower in real terms than they were in 1932-33 is not as significant as it would have been in 1932-33 because of the changed nature of the capital market but it is significant enough. The main points of the vulnerability of the capitalist system at the moment seem to me to be these:

First and foremost, the mechanism of making profits, of accumulating and investing capital, is simply not functioning. This is the reason for what is euphemistically called the 'cash flow crisis', which means that firms that have got full order books, that are doing everything that ten years ago would apparently have kept them well in the millions of profits are broke. In other words, if they were asked to pay all that they owed at this moment, they could not do it. Now in fact most big firms are broke. The fact that they are not allowed to go broke, neither in the United States nor anywhere else, is another matter. If capitalism were still working in the way in which the Conservative government believed it could work in 1970 when it came in, it would now be a ruined economy and so, if I may say so, would a number of other countries, with the possible exception of Western Germany. There would be a holocaust of very large capitalist firms, perhaps with the exception of twenty or thirty of the gigantic multinationals.

Secondly, there is a crisis of the international payments system. This has been made immeasurably more acute by the oil crisis which has disturbed the whole flow of funds, but it had existed long before. In fact, it could be noticed from about 1968. This, in my view, is related to a crucial factor. Namely, the breakdown of the supremacy of the United States, both economically — remember that in the

early 1950's by itself the United States economy was as big as all the other economies put together in terms of sheer productive power; this is no longer the case and with every year that passes it becomes relatively smaller — and secondly the breakdown of the attempt, which was based on the enormous preponderance of the United States economy in the years after the war, to convert this into a global military empire. It is perhaps no accident that since the first open defeat of the American empire, in Vietnam, the economic problems of the world, including the economic problems of the international payments system, have become increasingly unmanageable.

The third vulnerable point is the choice between unemployment and inflation. The great boom of the past twenty odd years has essentially been based on full employment but there has been a choice between maintaining full employment and controlling inflation. The price that has been paid for capitalism operating without a reserve army has been inflation, and it may well be that today the capitalist system will have to live with both unemployment much higher than before and with inflation. The idea that high unemployment will cure inflation or in turn that reflating the economy will cure unemployment, appears to be less and less valid. It needs larger and larger doses of each, as it were, to get the necessary or expected result.

And finally, there is the inflexibility of costs of capitalist production, which is essentially private profit making production; an inflexibility which is due to the inability to depress either wages or, as is now evident with oil, to continue to benefit from the ultra cheap energy which has been perhaps the single most important reason for the major 25 year boom with which we have been living. This is a point which has recently been made, I think validly, by Professor Barraclough in an article in the 'New York Review' pointing out that one of the major bases of this great global expansion has been the ability to use extremely cheap energy sources, which previously were simply not available on this scale, namely oil. We have now come to the limit of this, not simply because the oil looks like running out but because, in a sense, the developed world has made itself sufficiently vulnerable to the pressure of those who control these resources which are largely outside it. So in one way or another the capitalist system has been unable in this crisis to compress the costs which it necessarily incurs. Is this then the final crisis of capitalism? I do not mean this year, but it will take the next few decades. There is a

natural temptation to believe so and if you read for instance the recent debate between Ernest Mandel and Bill Warren in the 'New Left Review' you will find that Mandel is naturally tempted to say there is no way out for capitalism. I think that we should remain sceptical. I myself remember the days, forty years ago, when all of us thought that the crisis of the 1930's was the final crisis of capitalism. It was not. It was a very serious crisis, but we must not assume (Lenin said this about political situations, we can say it about our economic situation) that the other side has no way out. It is possible they may have.

At all events, whether we say it is the final crisis or not, and we are not called upon to say this, we must, I think, say that it is a very severe crisis. I think it is wrong to believe that this is a temporary dip, a temporary recession which perhaps by the end of 1975 or the middle of 1976 will once again on a world scale be overcome, and this does not necessarily mean that the particularly vulnerable countries such as Britain and Italy will recover as easily. I believe it to be a more profound crisis than this, and the fact that economists and governments that listen to economists have been able to do, over the past 25 years, a great many things which neither believed possible or in some instances desirable in the 1930's, does not prove that they can do what is necessary now. In fact, most of the economists that I know are frankly completely at a loss about what exactly can be done in the long run. At all events we may assume that capitalism may get over this crisis. If it does it will certainly require changes as fundamental in its way within the capitalist system as the changes from before 1929 to the post war period. But even if it gets through it, that does not mean that the crisis in which it now finds itself is not a very serious one. It is, however, quite a different crisis from the one in the Thirties, different above all because the workers are not in a situation of catastrophe. Nobody has yet dared or been able to choose the solution of mass unemployment. Whether that would work or not is another matter, but nobody has actually chosen it, not even in the United States. One must not talk in terms of absolute figures such as six million unemployed. One must think in terms of 25% of the labour force; that is what mass unemployment was in the 1930's, and nobody has chosen that kind of solution. Even in the countries that have opted for unemployment, like West Germany, they have managed to shift the unemployment on to the

sub-proletariat of immigrant labourers and in many instances re-export it either to the underdeveloped world or, if they are Yugoslavs, to the socialist countries. The workers are safeguarded more than ever before in the developed countries by social security, by guaranteed jobs and wages, and relative job security, by rising wages, not least by the growing tendency for married women, that is to say for their wives, to go out and work and therefore to have two earners in each family (remember this did not exist to anything like the same extent in the 1930's). The workers are at best subject to gradual pressure such as by inflation and rising prices and have so far mostly more than resisted.

Paradoxically in the present situation it is the middle strata that have been much more defenceless, which is one reason why they are organising in unions very rapidly at this stage. At this very moment there is one labour exchange in Paris which has on its books psychologists, town planners, sociologists, advertising executives, each in their hundreds, and if you want an industry which has mass unemployment you had better look at the Stock Exchange! It would not be tolerated in the British motor industry, the actual amount of sackings and lay-offs which at this moment are taking place in some of the unorganised and undefended occupations employing white collar people. For this reason, unlike the 1930s, this crisis is not combined with a drop in effective labour militancy, although I think there is no doubt at all that if unemployment rises, as it almost certainly will, labour militancy is likely to drop, but it will not drop as much and at the moment it has not dropped at all, or significantly. On the contrary, the present crisis in capitalism has been combined with an upsurge in the labour movement, particularly to meet problems such as growing inflation, rising prices against which workers want to defend or improve their wages. This intensifies the crisis of capitalism but at the same time gives the present crisis a completely different character from the one in the early 1930s, when the labour movements in most countries were disarmed because of the vast unemployment, the inability to win any strikes, and indeed the absence of any effective mechanism for keeping wages up.

The next major paradox in this crisis seems to me to be that the capitalists have no ready made solution. The economists do not know what to do economically. The capitalist system has no clear idea at all and the demoralisation and disorganisation in, say, the Tory Party

at this moment is merely another indication of this total lack of any idea of what to do. Still economic ignorance and the inability to think of anything to do is not necessarily decisive. In the 1930s the capitalist system did not know either, but in one or two countries the crisis itself, through a series of improvisations and other, often quite unplanned devices, through falling back on people who had been putting forward previously unorthodox suggestions, through all these things, in several countries effective non-free market, non-liberal techniques were found which were later generalised. What seems to me to be equally relevant is that, politically, the capitalists at this moment are also at a loss. In the 1930s they had a possible solution which took the form, in extreme cases, of fascism. In the 1960s it looked as though they were preparing an analogous strategy, not the same strategy, but an analogous strategy, combining the abolition of democracy, normally under military regimes with administrations by technocrats, neo liberal technocrats who would institute, rather as in Brazil, a very sharp inflation, establish conditions for production with very cheap costs, at very low wages, and thus enable the process of profit-making and accumulation including profit-making foreign investments to take off again. The programme smashed the labour movement to create peaceful conditions of profit-making and accumulation without any resistance, but as we now see this Brazilian-Greek formula did not seem to work too well either; in fact it could be seen now in retrospect to be not so much a way of getting out of the crisis and back to capitalist prosperity, more a by-product of the great boom in certain specific terms.

Regimes have fallen in Portugal and Greece not only because they overspent on colonial wars but because they could not even deliver the capitalist goods. Brazil still seems to me to be OK though not quite so OK as it was a few years ago, but its prosperity and expansion depends on the continuation of the global boom and this is no longer so. In Chile, where exactly the same techniques were applied, the generals have failed to do a Brazil. They tried this; they disarmed the labour movement; they cut wages; they tried to deflate; they tried to reproduce the same sort of conditions which in Brazil in nine months or a year had led to the resumption of a very notable capitalist expansion at the expense of the Brazilian workers, but it has not worked. They have not even managed to control

inflation which remains at the enormous rate which it was in the last years of Allende.

Hence in 1974 the major drift of politics in the world has been from the right towards the left or at any rate from reaction away — Greece, Portugal, if you like, the United States. In general 1974 has been a year when the news from abroad has been quite good. Clearly right wing coups are not excluded, though in spite of lots of talk and some attempts, conditions for them are not as favourable as people think. If they were, Italy would have a military government already. Still the situation in the United Kingdom, for reasons which I hope will come out shortly, seems to me to be potentially rather dodgy. In general, however, the right wing solution of abolishing democracy and going for the 1970s equivalent of fascism, does not now seem like a solution for the crisis and it seems rather less likely than it looked a few years ago. But at the same time we must observe that the left is not in a good position to exploit the situation. It is divided and in some countries where strong working class parties exist it is no longer seriously growing as a mass movement. In countries like France it seems to me the elections in 1974 demonstrated that on the whole the left — the Communist Party, and even the Communist plus the Socialist Party — had more or less reached a plateau; not quite good enough, and although this may not be absolutely universal in the countries in which working class parties are mass parties, on the whole, the situation is not one of enormous expansion. In Britain for instance the Labour Party is relatively and absolutely weaker than at any time since the 1930s, and what is more, it is no longer the only alternative for the discontented, not even the workers. I am thinking, for example, of Scots Nationalism, I am thinking of Welsh nationalism. In other words the Labour Party is not merely weaker than it has been for a long time but the possibility of the discontent during a crisis benefitting the Labour Party and the labour movement is not unusually promising.

A further important point must be noted in which the major immediate impact on the working class movement is through inflation. Inflation divides, it does not unite. In inflation each group defends itself, not merely against the employers, but against all the other groups of workers. That is the whole point about this leapfrogging and seeing that nobody gets an advantage, that the differentials are not eroded, that people keep ahead. Moreover, in inflation, particularly in the present type of economy, the pressure of working class

militancy is in fact directed against other workers. When people strike, they do not strike against the employers, they strike in order to make life as intolerable as possible for the rest of us, and that may include the same workers of course when somebody else strikes, until the government intervenes. This is a situation which has dangers in it. To give a simple illustration, if the miners were to strike a third time, my guess is that they would not enjoy as much solid support from the rest of the labour movement as they enjoyed the first and second times. In other words, there is militancy but behind this militancy there is the potentiality of division which can be utilised and this is the danger of the purely industrial militancy which is not backed or framed or directed by a single national commitment.

Let me now turn to the British situation. We are at the moment in, and we have gradually been drifting into, what is the most serious crisis of this country that I, as a historian, can think of since the post-Napoleonic period and perhaps even before then. It is difficult to think of a situation in which the regular institutions of Britain have been so much in doubt. This is essentially because the economic situation from which Britain has benefited since the Industrial Revolution is now finally changed. We are no longer the workshop of the world. We are no longer the greatest empire in the world. And one of the things that Marxists predicted would happen, though as always we predicted its effect too quickly, has happened. Having ceased to be a great imperial power we are no longer cushioned. At the same time we have not been able to find a new position within the world as a second class industrial power and while this is so, and perhaps partly because this is so, the formerly stable institutions in this country, for instance the party system, the parliamentary system, for the first time in centuries are not so much under threat as at least with a potential question mark behind them. This is not a specifically British problem because we find it in some of the other countries of old established capitalism. For instance, we find the crisis of bourgeois democracy in countries like Denmark, the Scandinavian countries and so on. But the economic situation is undoubtedly an extremely grave one. Economically we have in Britain today the combination of the global crisis and the specific and more acute British crisis. In a way what is in question is the very viability of British capitalism as it has been known for two hundred years. If I may say so, and without making any observations on the rights and wrongs of

Scottish nationalism, the fact that it has now become a serious movement aiming at secession from Britain is perhaps the gravest symptom of the doubt about the viability of British capitalism as we have known it. What made the Union was not that the British wanted the Scots in, but that the Scots got the benefit by being inside the all-British economy and they have now decided that they would be better off outside it. Now in Britain there is particularly narrow room for manoeuvre for the ruling class, partly because of the internal factors over which it has very little control, above all the enormous organised strength of the British labour movement, (attempts have been made in one way or another to control it but they have failed), partly because of international factors over which we have even less control and which, since Britain is a relatively small part of the international economy affect this country particularly severely. The result is a forecast of economic hard times, of possible depression, of continued and intensified discontent not always focussed, not necessarily confined to any particular class or classes, of a sort of indefinable malaise, a sort of running down which I have lately been reminded of by a student of mine returned after five years in Cuba, having last been in England in 1969, coming back to England in 1975, and the impression after five years absence is a sad impression. An impression of things running down, a general lack of self-confidence. Nevertheless the fact that we are in crisis and that there is an unfocussed and occasionally a focussed discontent does not necessarily mean that the left and the working class movement must benefit from it. Now many coming changes will be determined by this breakdown and they will be quite independent of ideology and intentions, for instance the substantial strengthening of the nationalised sector of the economy. In 1974, some of the biggest of the big firms went broke and threw themselves on the mercy of the government — Ferranti, Leyland etc. In 1974 there had been more nationalisation than in the whole of the Labour governments from 1964-70 and in spite of the fact that:

- a) the Labour government did not particularly want to nationalise anything and
- b) that it was not even a majority government.

It was simply the logic of the situation which threw steadily growing sectors of a bankrupt capitalist economy into the arms of the only source of investment and the only possible way of organising it, namely the state. So we have objectively the possibility of major

changes in the economic structure of England but proceeding from a period of very hard times and possibly of acute slump. Now politically the situation is dominated on the left by a Labour Government which is in charge of the crisis and which is likely to get the blame for it. In this respect we are worse off than the French and Italians because if things go very badly in France or Italy, then somebody will say, particularly in Italy at least, "Throw the bastards out — there is another possible solution". In Britain the other possible solution is right here and if anything goes wrong it is the Labour Government and with it the Labour Party which will get the blame.

It is held up largely at the moment by the total demoralisation of the capitalists who have absolutely no idea what to do next and who actually prefer to have a Labour Government take the blame. There was a very interesting article in 'The Economist' saying the worst conceivable national government would be a national government of moderate labour plus moderate conservatives, and the next worst would be a national government of conservatives and liberals; the best national government we have is a labour government which keeps the labour left wing under control. This is the situation — this is the way in which conservatives, and you can hardly get more deliberately capitalist than 'The Economist', look at the present political situation in this country. But at the same time we have a Labour Government based on a weakened Labour Party but one within which the left, through the trades unions, is increasingly and maybe decisively influential. A weakened Labour Party moving left must not be confused with a radicalisation of the British people or even the working class as a whole but it is never-the-less a factor which is not to be overlooked. Secondly, the left within the Labour Party and within the trades union movement is not so much leading as trying to keep up with a basic grass roots militancy which is uncoordinated with politics at this moment, and this is the weakest aspect of the left at the moment. It is not that people on the labour left or even the trades union movement leaders like Jack Jones have not got a policy, it is that the forces which give them their position and influence within the Labour Party and the Labour Government are forces which they cannot control and are what you might call 'radical economist' forces at the moment concerned primarily to see that working class wages are not affected under any circumstances, and which are prepared, if necessary, if they can get two hundred people

to strike, then they strike if they think they can make it.

This is actually a perfectly natural thing for them to do but not necessarily, politically from the point of view of the whole labour movement, the best thing. Moreover, if all of them struck for their own purposes it would not necessarily make a radical left wing labour party. And the third factor is that the Marxist left is very weak, divided and possesses no political mass basis. This is so of the Communist Party and it is so a fortiori of the smaller marxist groups or organisations, — some of these are likely to be weakened if there is mass unemployment because their connections with the working class are through certain limited strongholds, shop stewards etc. at one or two limited places, who may not be able to maintain their position, but even if they do — and one hopes that all left wingers will — the marxist left is divided and weak and possesses no strong mass basis. The electoral failure of any marxist candidates demonstrates this.

What are the alternatives? The alternatives are either to say — let the whole thing sink, let the crisis of British capitalism get worse, it is not our responsibility. Theoretically this position is defensible. In practice I think that this is what the labour movement is likely to do, since it is undeniable that the pressure of the labour movement, the unwillingness of the labour movement to give up what it has won by hard fight, is objectively a factor making the capitalist crisis worse. Never-the-less there is no guarantee that if the situation is polarised the left will benefit from it rather than the radical right, or bits and pieces of this and that or even that the British political system will rapidly change for the worse. The other alternative and it must be based on the labour movement, and it can only be based on the militancy of the labour movement because without that it would have no influence within the party or anywhere else, is to evolve a strategy for leading Britain through the crises and there is today a better chance of doing this since the Labour Party is more open to pressure from the left than it has ever been before when in government. Now it may not be open for very long. It is very difficult, and we shall be coming up against two major crises in the course of this year. One is the E.E.C. — one which may well lead to serious splits within the movement though I think that these splits can be avoided. The other which may be more serious is when the bottom really drops out of the British situation and we are bailed out, as we will be bailed out because countries are not allowed to go totally bankrupt — for fear

of the repercussions on the world situation. Then we will be bailed out on conditions by the International Monetary Fund and others on the sort of conditions which several people in this country on the capitalist side — even on the government's side have wanted to impose but cannot impose unless they can say we have been forced to do so by outside pressures, and when that comes we may well come up against a similar crisis situation as in the summer of 1931 when in the final analysis the unions refused to go along with the proposal to cut expenditure. So we do not know what will actually happen but never-the-less supposing that a Labour Government under pressure from the left can maintain itself, it is in a better position to try and impose a strategy for overcoming the crisis. I think that this will have to be based on a certain amount of realism.

There will have to be a lot less talk about returning to prosperity and only Labour Governments can guarantee prosperity. The main thing is almost certainly there will be hard times. The question is that the hardships should be equally distributed and that they should produce the basis for the recovery of the British economy.

But now, here, I think there is one thing, but it has often been forgotten, that ought to be said today. When I was young and lived through the last great capitalist crisis one of the major arguments for socialism even in the highly imperfect form in which it existed in the Soviet Union was that it did not have mass unemployment, that it did not have a crisis. This argument in a different way is still valid. People may make jokes about it but the problem of inflation is not the same in the Soviet Union as it is in France, let alone Britain. In many respects whatever their own problems the socialist economies, however imperfect they may be, do not have the problems which leave the capitalist economies in crisis, and I think it is important to remind ourselves and to remind everybody else of this today.

The success of the Labour Movement must depend on being accepted as a national movement leading others, and not merely organised manual trade unionists, through the crisis; on exploiting the visible failure of Tories, of capitalism on taking responsibility for the British economy not a simple class confrontation which risks uniting non-workers who suffer in some sense just as acutely and dividing workers some of whom are relatively safeguarded and some of whom are not. But on taking over, on saying that the Labour movement can take over the responsibility for the economy and

create the type of economy which is not subject to the crisis which is now affecting world capitalism. We know what the name of that type of economy is. It is Socialism; and although we may have thought that the possibilities of advancing to Socialism would come under different circumstances, there are possibilities, of making serious advances to Socialism if the Labour movement can remain united, and if the Labour movement does not provoke a counter-blow as the one which destroyed labour movements forty years ago.

The prospects of this are better today than they were forty years ago when almost without exception — on the whole, the labour movements were scattered and crushed by the crisis. How much better they are depends not on academic prediction but upon action and that includes the action of all people here as well as all people in the Labour movement, and I hope that we can undertake that action.



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